

2012 Annual Public Library Budget Workshop on May 15 and Repeated May 23

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State Board of Accounts
Presentation

2012 Public Library Annual budget Workshop

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HEA 1002 (PL 133) State Commissions and
Boards

- ▶ Repeals the following committees, commissions, and boards:
 - ▶ Council on Library Automation
 - ▶ Library Advisory Council
- ▶ Indiana Library and History Board (ILHB)
 - ▶ Establish automation standards and standards
 - ▶ Monitors compliance

Note: State Library related changes in HEA 1002 mirror the provisions in HEA 1283

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HEA 1003 or PL 134 Public Access

- ▶ Adds electronic media to definition of “record” to public records law
- ▶ Violations of public records law by public agency or individual in the employ of agency
- ▶ Advisory Opinion of Public Access Counselor Required
- ▶ Civil penalty may be imposed by a court if unlawfully withhold public record subject to disclosure
 - ▶ Not more than \$100 first violation
 - ▶ Not more than \$500 for any additional violations

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HEA 1003 or PL 134 Public Access

- ▶ Governing body of any public agency of the state (this does not apply to public libraries)
 - ▶ Policy adopted regarding electronic participation and post on the Internet web site
 - ▶ Meeting meets all other requirements of the open door law
 - ▶ 1/3 of governing body physically present or greater of two members
 - ▶ Electronic participation
 - ▶ Present
 - ▶ Counted for purposes of establishing quorum
 - ▶ May vote
 - ▶ Board member must physically attend at least one meeting each year

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HEA1005 or PL 135 Nepotism/Contracts

- ▶ Creates a new chapter on nepotism in Title 36 that applies to counties, cities and towns, and townships. Prohibits individuals who are relatives from being employed in a position that results in one relative being in the direct line of supervision of the other relative.
- ▶ Defines “relative” to mean a spouse, parent or stepparent, child or stepchild, brother, sister, stepbrother, stepsister, niece or nephew, or daughter-in-law or son-in-law.
- ▶ Contracts require full disclosure
- ▶ Does not apply to libraries that are political subdivisions and not a governmental unit

Note: Does not apply to public libraries

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HEA 1072 PL 137 Credit Card Service Fees

- ▶ Amends IC 36-1-8-11
- ▶ Political subdivision may collect a vendor transaction charge or discount fee from the person using the card an official fee that may not exceed the transaction charge or discount fee charged to the library by bank or credit card vendors.
- ▶ Payment of claims by EFT allows all political subdivisions to pay claims by this method.
- ▶ 100 R Reports are required to be filed electronically beginning in 2013

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HEA 1123 PL 138 PERF

- ▶ Provides for a thirteenth check to certain members of PERF and the teachers' retirement fund.

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HEA 1149 PL 141 Smoking Ban

- ▶ Prohibits smoking in public places, places of employment, State vehicles, or areas within 8 feet of a public entrance.
- ▶ Allows smoking in certain gaming facilities, cigar and hookah bars, fraternal, social and veteran's clubs, tobacco stores, bars and taverns, cigar manufacturing and specialty stores if certain requirements are met.
- ▶ Makes it a Class B Infraction for a violation and a Class A Infraction if a person has been adjudged to have committed 3 prior unrelated violations.
- ▶ Requires certain signs to be posted.

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HEA 1154 PL 17 Price Preference SEA 309 PL 67 Public Purchases

- ▶ Eliminates the local Indiana businesses price preference requirement for public works projects
- ▶ Requires preparation of general plans and specifications and advertising for sealed proposals for public works projects of at least \$150,000 for all political subdivisions except board of aviation commissioners and airport authorities.
- ▶ Raises the threshold for requiring a financial statement, statement of experience, proposed plan for the project, and the equipment that the bidder has available from \$100,000 to \$150,000.

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HEA 1154 PL 17 Price Preference SEA 309 PL 67 Public Purchases

- ▶ Allows bids to be opened after the time designated if the board makes a written determination that it is in the best interest of the board to delay the opening and the day, time and place of the rescheduled opening are announced at the originally scheduled opening.
- ▶ PUBLIC PURCHASES LAW – Amends IC 15-22-15-20.9 – Requires an adjacent county who qualifies for a local Indiana business price preference to be an Indiana county.

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HEA 1163 PL75 Bonding and Retainage in Public Works Projects

- ▶ Provides that a person who has a claim against the retainage or the payment bond of a contractor on a public works project must make the claim and deliver a copy of the claim to the contractor not later than stated times after that person performed the service or labor or project

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HEA 1192 PL 145 Distressed Unit Appeal Board

- ▶ Allows political subdivisions to apply to the DUAB Board to become designated as a distressed political subdivision. Provides that the DUAB Board can designate an emergency manager of the political subdivision

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HEA 1283 –Library and Historic Matters (Effective July 1, 2012)

- ▶ Clarifies that four members of a Class I library board constitute a quorum. Clarifies that six members of a county contractual library board constitute a quorum.
- ▶ Renames Indiana State Library Advisory Council as State Library Advisory Council
- ▶ Adopt the appropriate resolution, Class I and Class 2 libraries can offer free or reduced fee library cards to
 - ▶ (1) non-resident library employees, and (2) a non-resident student enrolled in or a non-resident teacher in a public or non-public school in which students in any grade preschool through grade 12 are educated and is located, at least in part, in the library district.
 - ▶ Expire one year after date issued

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HEA 1283 –Library and Historic Matters (Effective July 1, 2012)

- ▶ Section 31 IC 36-12-7-3
- ▶ The residents or real property taxpayers of the library district taxed for the support of the library may use the facilities and services of the public library without charge for library or related purposes. However, the library board may:
 - (1) fix and collect fees and rental charges; and
 - (2) assess fines, penalties, and damages for the:
 - (A) loss of;
 - (B) injury to; or
 - (C) failure to return;any library property or material.
- (b) A library board may issue local library cards to:
 - (1) residents and real property taxpayers of the library district;
 - (2) Indiana residents who are not residents of the library district; and
 - (3) individuals who reside out of state and who are being served through an agreement under IC 36-12-13.

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HEA 1283 PL 84 Public Records in Libraries

- ▶ Record Retention Schedule
- ▶ Requires each county Commission of Public Records to implement local government record retention schedules not more than 30 days after adoption by the State's Oversight Committee on Public Records.

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SEA 19 PL 112 Reassessment

- ▶ Requires county assessors to prepare and submit a reassessment plan to the Department of Local Government Finance (DLGF) before July 1, 2013 and every fourth year thereafter.
- ▶ Requires the DLGF to approve such plans before March 1 of the year following the year in which the plan is submitted.

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SEA 262 PL 126 Title 35 Revisions
Conflict of Interest/ Ghost
Employment/ Official Misconduct

- ▶ Reorganizes and renumbers several sections of Title 35 dealing with conflicts of interest, ghost employment and official misconduct
- ▶ Changes legal reference to IC 35-44.1
 - ▶ These were is IC 35-44
 - ▶ Requires revised conflict of interest form

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SEA 109 PL 31 Deposit of Funds

Resolution authorizing the investment in interest bearing deposit accounts accordance with the following conditions:

1. Term "deposit account" includes only: (1) accounts subject to withdrawal by negotiable orders of withdrawal; (2) passbook savings accounts; (3) certificates of deposit; and (4) money market deposit accounts
2. The funds are initially invested through a depository that is selected by the investing officer.

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SEA 109 PL 31 Deposit of Funds

3. The selected depository arranges for the deposit of the funds in interest bearing deposit accounts in one (1) or more federally insured banks or savings and loan associations, wherever located, for the account of the library.
4. The full amount of the principal and any accrued interest of each deposit are covered by insurance of any federal deposit insurance agency.
5. The selected depository acts as a custodian for the library with respect to the deposits.

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SEA 191 PL 43 Investment Policy

1. Fiscal body of the political subdivision to approve a written investment policy and adopt an ordinance to provide this authority
2. State a date on which the policy expires, which may not exceed four (4) years.
3. Permits a political subdivision to authorize its investing officer to invest public funds for a maximum term of five years. (Under current law, the maximum term is generally two years.)

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SEA 191 PL 43 Investment Policy

- 4. Permits an investing officer to contract with a federally regulated investment advisor or other institutional money manager to make investments under this section
- 5. Limit the total investments outstanding under this section to not more than twenty-five percent (25%) of the total portfolio of public funds invested by the library, including balances in transaction accounts

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SEA 147 PL 120 Property Taxes

- ▶ Allows counties to make certain property tax information available through electronic mail. Allows monthly property tax payments to be made electronically.

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Annual Report 100 R Update and Gateway

- ▶ File in the form and manner as required
- ▶ Gateway: electronic submission

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Appropriation Transfers

- ▶ Pursuant to IC 6-1.1-18-6, the library board may transfer money from one major budget classification to another within a department or office if:
 1. They determine that the transfer is necessary;
 2. The transfer does not require the expenditure of more money than the total amount set out in the budget as finally determined under IC 6-1.1; and
 3. The transfer is made at regular public meeting and by proper resolution.
 4. A transfer may be made under this section without notice and without the approval of the Department of Local Government Finance.

REFERENCE: ACCOUNTING AND UNIFORM COMPLIANCE GUIDELINES MANUAL FOR LIBRARIES, 2-18.

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Appropriation Transfers Within Major Categories

- ▶ ~~Note: Transfers within a major budget classification must meet the requirements 1 through 4 as listed above~~
- ▶ See previous slide

REFERENCE: ACCOUNTING AND UNIFORM COMPLIANCE GUIDELINES MANUAL FOR LIBRARIES, 2-18.

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eBooks

- ▶ Budget Classification
- ▶ From Capital Outlays to Other Services & Charges
- ▶ Annual Financial Report (SBoA) and Public Library Annual Statistics (ISL)

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Certification of Names & Addresses to County Treasurer

- ▶ Before June 1 and December 1 each year
- ▶ County Treasurer searches records to see if any person so certified is delinquent in the payment of property taxes
- ▶ Political subdivision e.g. public library shall periodically make deductions from money due to person and shall pay the amount of these deductions to county treasurer.
- ▶ Garnishment law IC 24-4.5-5-105 is guide to determine how much to deduct. Recommend library consider entering into a written agreement with the employee the sets out the terms of the deductions.

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Treasurer Bond

- ▶ The Treasurer shall give a surety bond for the faithful performance of duty and for the accurate accounting of all money coming into the treasurer's custody. The bond must be:
 1. Written by an insurance company licensed to do business in Indiana;
 2. For the term of office of the treasurer;
 3. In an amount determined by the library board;
 4. Paid for with the money from the library fund;
 5. Payable to the State of Indiana;
 6. Approved by the library board; and
 7. Deposited in the office of the recorder of the county in which the library district is located. [IC 36-12-2-22]
 8. We recommend a minimum bond of \$15,000 for treasurer

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Other Bond Requirements

- ▶ It is recommended that employees of the library who handle money also be bonded. Bonds of employees must also be
 1. Payable to the State of Indiana and
 2. Be filed in the county recorder's office.
 3. Amount of bond coverage should be determined by the library board and recorded in the minutes.

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Payment of Premium and Other Fees

- ▶ The general statutes on bonding provide that the bond may be paid from funds of the municipal corporation "without an appropriation having been previously made therefore, in such amount as may be necessary to pay the cost of such bond or obligation." [IC 5-4-5-3] However, it is recommended that a provision for payment of such premium be included in the annual budget.
- ▶ No charge shall be made by the county recorder for the filing and recording of official bonds. [IC 36-2-7-10]

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Gift Funds [IC 36-12-3-11(a)(5)]

- ▶ Restricted and Unrestricted: grant, gift, donation, endowment, bequest or trust may be set aside in a separate fund or funds, and shall be expended, without appropriation, in accordance with the conditions and purposes specified by the donor
 - ▶ If unrestricted may be deposited into the library operating fund. Therefore, must be appropriated to expend in the manner specified by DLGF.
 - ▶ Gift money placed in the library operating fund does not accumulate and must be spent or encumbered within the fiscal year or it will revert to the library operating fund balance and must be reappropriated before the disbursement

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Separate Gift Fund

- ▶ Separate fund may be established for each gift; gifts for like purposes may be receipted into separate funds for each purpose; or all gifts may be placed into one "Gift Fund".
 - ▶ May be spent without budgeting or appropriation.
 - ▶ "Restricted" spent according to donor restrictions; unrestricted spent as determined by library board according to statutory authority
- ▶ Accounting
- ▶ Investments: Trust Income/Trust Principal; "total monies on deposit" for unrestricted

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Agency Funds


- ▶ Sales Tax
- ▶ PLAC
- ▶ Evergreen
- ▶ Keep their accounting activity separate from other funds
- ▶ Transactions are recorded as a balance sheet item, not as income and expense.

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Contact Information



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